

Comments on Resource Adequacy Modeling and Program Design

Track 3A: Resource Visibility Straw Proposal

Department of Market Monitoring

June 17, 2025

Overview

The Department of Market Monitoring (DMM) appreciates the opportunity to comment on the *Resource Adequacy Modeling and Program Design Track 3A: Resource Visibility Straw Proposal* and *Working Group Meeting* dated May 23 and 27, respectively.^{1,2} In these comments, DMM adds to our previous comments from the ISO's Resource Adequacy Modeling and Program Design (RAMPD) *Revised Discussion Paper and Final Recommendation Plan and Issue Paper*.^{3,4} DMM includes an additional comment on the following issue:

- **Resource visibility.** DMM supports increased resource reporting to improve system reliability, and a system understanding of market dynamics to improve reliability backstop measures and studies.

Comments

Resource visibility

The ISO can procure backstop reliability capacity through the capacity procurement mechanism (CPM) using the competitive solicitation process (CSP). The CSP uses a self-bid auction process and reveals potential resources to the ISO in the case the ISO needs to make bilateral backstop procurement to overcome system or local deficiencies. However, if the CSP does not have any available capacity, the ISO will move to bilateral outreach in the need of backstop procurement. Effective bilateral outreach depends upon the ISO having good visibility into the amount of available non-RA capacity that could be potentially procured through CPM. Such visibility is currently limited for capacity not offered into the

¹ *Resource Adequacy Modeling and Program Design Track 3A: Resource Visibility*, California ISO, May 23, 2025: <https://stakeholdercenter.caiso.com/InitiativeDocuments/Straw%20Proposal%20-%20Track%203A%20Resource%20Visibility%20-%20Resource%20Adequacy%20Modeling%20and%20Program%20Design%20-%20May%2023%202025.pdf>

² *Resource Adequacy Modeling and Program Design Track 3A: Resource Visibility Straw Proposal Meeting*, California ISO, May 27, 2025: <https://stakeholdercenter.caiso.com/InitiativeDocuments/Presentation%20-%20Resource%20Adequacy%20Modeling%20and%20Program%20Design%20-%20May%2027%202025.pdf>

³ *Comments on Resource Adequacy Modeling and Program Design Issue Paper*, Department of Market Monitoring, December 6, 2024: <https://www.caiso.com/documents/dmm-comments-on-resource-adequacy-modeling-and-program-design-issue-paper-dec-06-2024.pdf>

⁴ *Comments on Resource Adequacy Modeling and Program Design Working Group*, Department of Market Monitoring, March 13, 2025: <https://www.caiso.com/documents/dmm-comments-on-resource-adequacy-modeling-and-program-design-working-group-mar-13-2025.pdf>

CSP. Track 3A introduces valuable informational improvements to improve visibility, and facilitate efficient and expeditious bilateral outreach.

The ISO has not recently been deficient for generic or local resource adequacy obligations. However, these planning targets may differ from realized conditions that may necessitate backstop procurement. The most recent case where bids from resource adequacy were not sufficient to cover the market requirements for energy and upward ancillary services was in the first week of October 2024.⁵ If cases such as this were to be more persistent and extreme, the ISO has the capability to use backstop procurement to meet system reliability needs, and the ISO would benefit from improved resource visibility to meet the needs of the system expeditiously.

In addition to reliability improvements, the increased visibility has value to improve policy and modeling for the CAISO system. Additional RA visibility into resources internal to the CAISO BAA would improve a system wide understanding of recent trends in the CPM and CSP, and potential improvements to the CPM.⁶ This will assist in track 3B, and further improvements, as technologies and policies evolve. Further, a better understanding of resource availability would improve the ability of the ISO to model system reliability.⁷

⁵ *Q4 2024 Report on Market Issues and Performance*, Department of Market Monitoring, March 26, 2025, p 119, Table 12.1: <https://www.caiso.com/documents/2024-fourth-quarter-report-on-market-issues-and-performance-mar-26-2025.pdf>

⁶ *Resource Adequacy Modeling and Program Design Track 3A: Resource Visibility Straw Proposal Meeting*, California ISO, May 27, 2025: <https://stakeholdercenter.caiso.com/InitiativeDocuments/Presentation%20-%20Resource%20Adequacy%20Modeling%20and%20Program%20Design%20-%20May%2027%202025.pdf>

⁷ E.g., *2025 Summer Loads and Resources Assessment*, California ISO, May 5, 2025: <https://www.caiso.com/documents/2025-summer-loads-and-resources-assessment.pdf>